



Ministry of Agriculture
Agricultural Marketing Section

MONTHLY MARKET BULLETIN

Sep, 2023

Executive Summary

Staple food prices in September and last year comparable month of September increased and decreased at different rates even though they remain at their highest levels compared to five -year average. Prices of round potato, maize, wheat and dry beans declined by 3.9, 1.9,1.8 and 0.5 percent respectively, while prices sorghum, and rice increased by 4.6 and 3.4 percent respectively. Traditional goods exports also increased to USD 782.6 from USD 750.6 million, with all traditional goods increased except cloves and cashew nut. On monthly basis, traditional goods worth USD 66.5 million were exported in July 2023 compared with USD 36.2 million in a similar month in 2022, while non-tradition export increased to USD 634.6 million from USD 546.6 million. (Source: BOT 2023)

International commodity prices for tradition crops declined and other commodities remained broadly stable in September, 2023. Prices for coffee, edible oil (palm) and wheat decreased marginally at different rate while prices of tobacco, cotton and tea increased marginally at different percentages.

Globally, prices for most fertilizer products continued their downward trend in September, 2023. The sustained decrease in natural gas prices has particularly supported production of nitrogen-based fertilizers. The continuing fertilizer subsidy provision to farmers in Tanzania is expected to improve crop productivity.

1. Domestic Market Prices: Staple foods

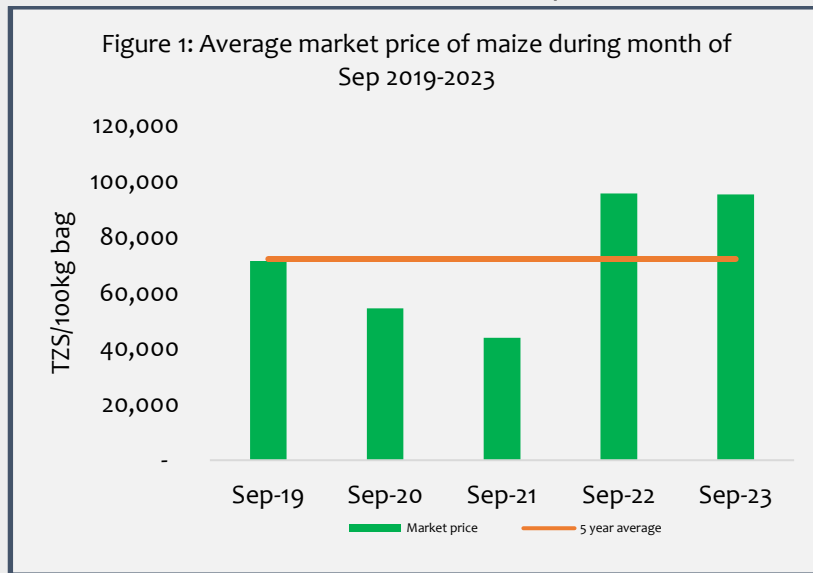
Prices for major staple food crops increased and decreased at different rates in September than a month prior but remain significantly high in comparison to the previous year for dry beans, rice, sorghum and round potatoes but prices decreased for wheat and maize, and to the five-year average prices increased at different rates this may be due to weakening of currency and high production costs. (Table 1). In September, decrease in price was observed in round potatoes (3.9%) maize (1.9%), wheat (1.8%) while price of sorghum and rice increased by 4.6%, and 3.4% respectively. The potential impacts of El Nino climatic conditions in the next production year will play an increasingly important role in market trends as traders look ahead towards potential production shortfalls.

Table 1: National average market price of major staple foods (TZS/100kg)

Commodity	Aug 2023	Sep 2023	Monthly change (%)	Annual change (%)	5-year average (%)
Maize	97,100	95,300	▼ 1.9	▼ 0.4	▲ 32.1
Rice	249,600	258,100	▲ 3.4	▲ 10.6	▲ 36.8
Dry beans	261,400	260,100	▼ 0.5%	▲ 12.4	▲ 27.5
Sorghum	126,900	132,800	▲ 4.6	▲ 7.6	▲ 22.8
Round potatoes	87,000	83,600	▼ 3.9	▲ 1.8	▲ 12.0
Wheat	163,900	161,000	▼ 1.8	▼ 17.4	▲ 10.5

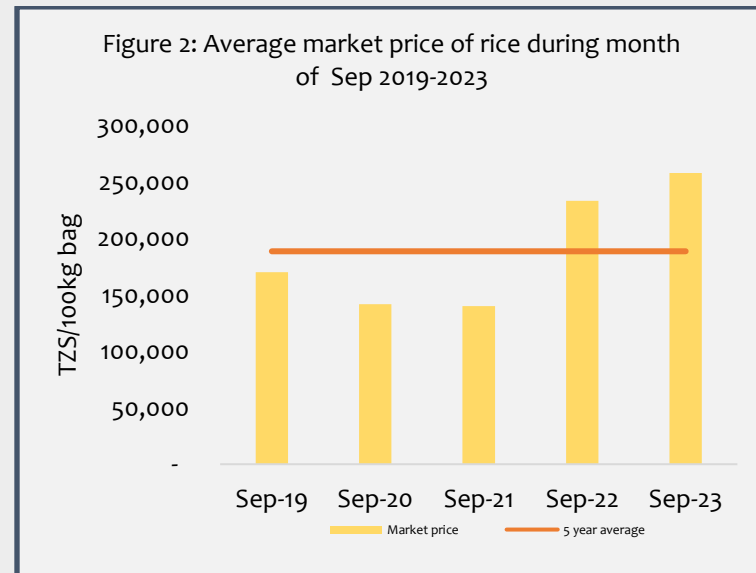
Maize

In September, the average wholesale price declined by 1.9 percent, from TZS 97,100/100kg bag in August to TZS 95,300 in September (Table 1). Despite the September price decrease, maize prices remained 0.4% lower than the previous year's comparable month and 32.1% higher than the five-year September averages. (Figure 1). Maize prices are projected to decline across most markets between October 2023 and March 2024 due to increased supply from average to above October to December harvest in East Africa production areas.



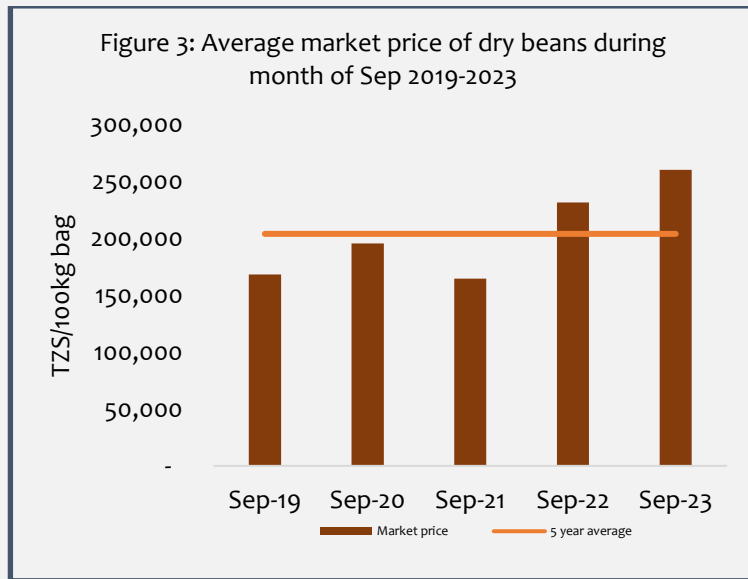
Rice

Rice prices increased by 3.4 percent in September, from TZS 249,600/100kg bag in August to TZS 258,100/100kg bag in September (Table 1). Similarly, prices increased by 10.6% in September compared to the previous year's same month, and by 36.8% compared to the five-year September averages (Figure 2).



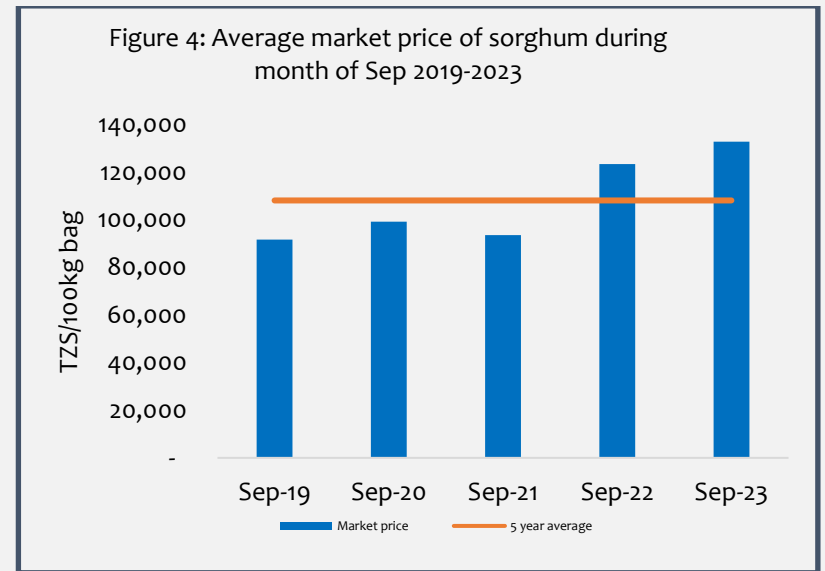
Dry beans

Beans prices slightly decreased by 0.5 percent in September, from TZS 261,400/100kg bag of August to about TZS 260,100/100kg bag in September. However, prices in September remained significantly higher by about 12.4% and 27.5% than similar month previous year and the five-year September average, respectively (Figure 3).



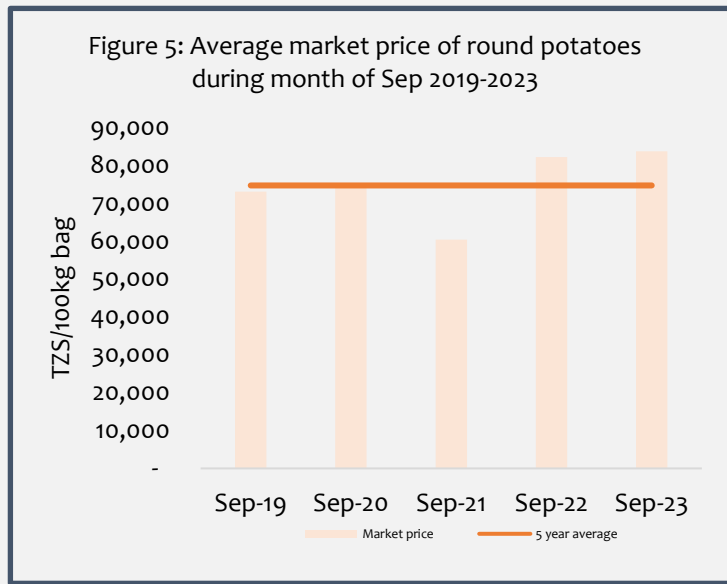
Sorghum

The monthly average wholesale price of sorghum increased by 4.6 percent in September from TZS 126,900/100kg bag in August to TZS 132,800/100kg bag in September. However, prices remained higher at 7.6% in September compared to the same month the previous year, and were 22.8% higher than the five-year September average. (Figure 4).



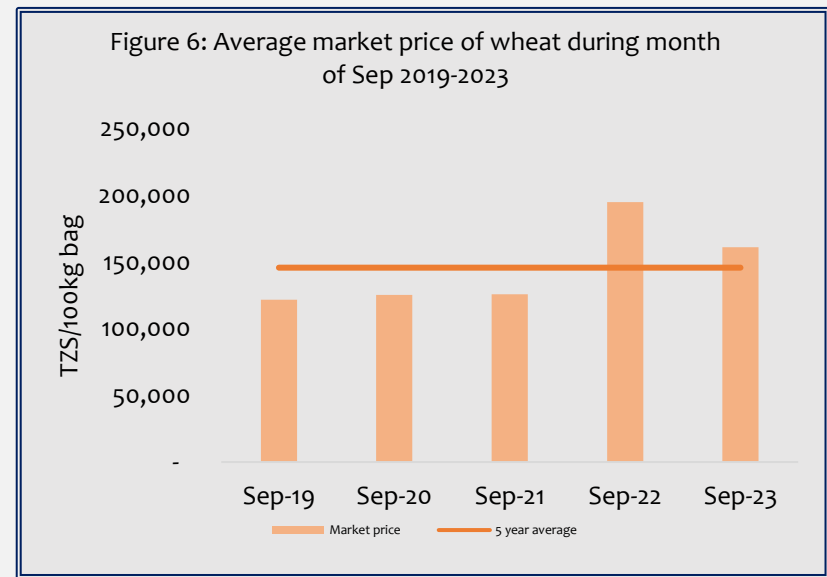
Round potatoes

In September, round potato wholesale prices decreased by 3.9 percent, from TZS 87,000/100kg bag in August to TZS 83,600/100kg bag in September. Similarly, prices remained 1.8% higher in the reporting period compared to the same period the previous year, and 12.0% higher than the five-year September average (Figure 5).



Wheat

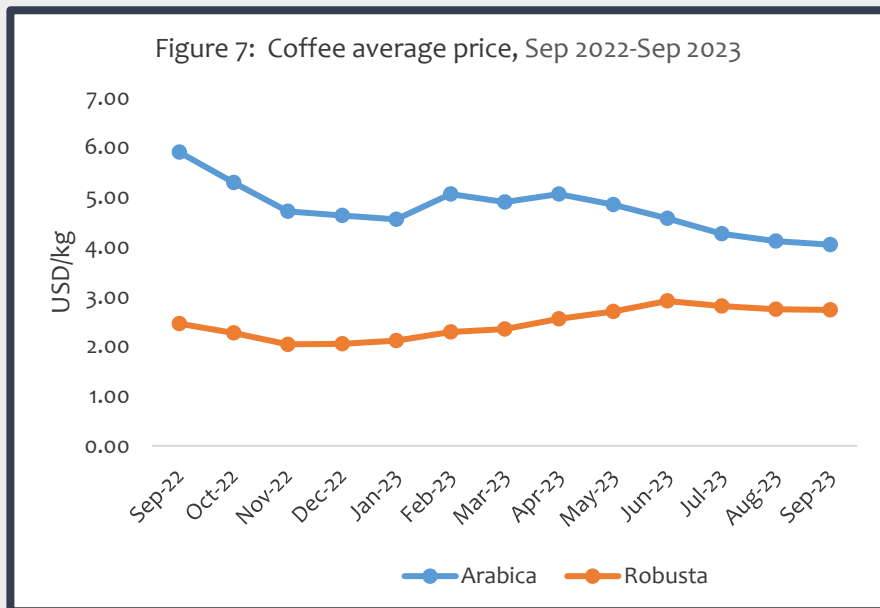
Wheat grain wholesale prices decreased by 1.8 percent in September, from TZS 163,900/100kg bag in August to TZS 161,000/100kg bag in September. Prices, on the other hand, were 17.4% lower in the reporting period compared to the same period the previous year, and 10.5% higher than the five-year September average (Figure 6).



2. Global Prices: Traditional Export commodities (Source: World Bank, 2023)

Coffee

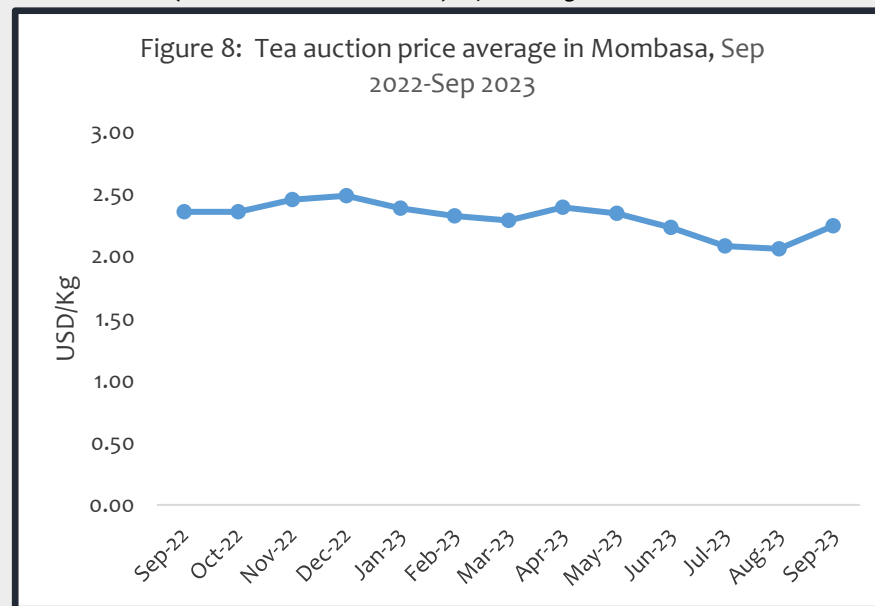
In September 2023, coffee prices have changed at different rates compared to August. Arabica prices decreased by 1.72 percent but remained lower than they were a year ago. After a drop in Nov, 2022 Robusta prices have been increasing but in September prices decreased by 0.59 percent. (Figure 7). After a rebound from a decline caused by adverse weather conditions, global coffee production is expected to rise, and Brazilian real weakened, indicating increased export selling by Brazilian coffee producers, which exerted downward pressure on prices. (World Bank, 2023).



Tea

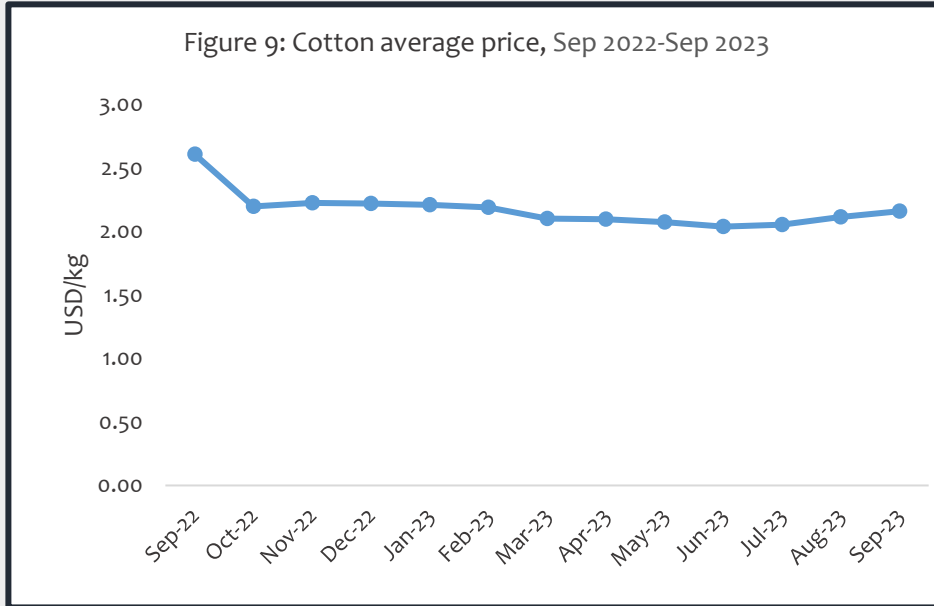
Despite a slight increase in September 2023, international tea prices have been declining for the last four months. Prices at the Mombasa auction market have increased by 0.2 percent in September, compared to their prices in August, from USD 2.248/kg in August 2023 to USD 2.252/kg in September 2023 (Figure 8). The slightly increase in prices is linked to weak demand in key tea-consuming regions, particularly in Central Asia, as a result of the Ukraine conflict. Weak demand is expected to put prices at lower levels throughout 2023 (World Bank, 2023).

Benchmark: Tea (Mombasa/Nairobi auctions), African origin, all tea



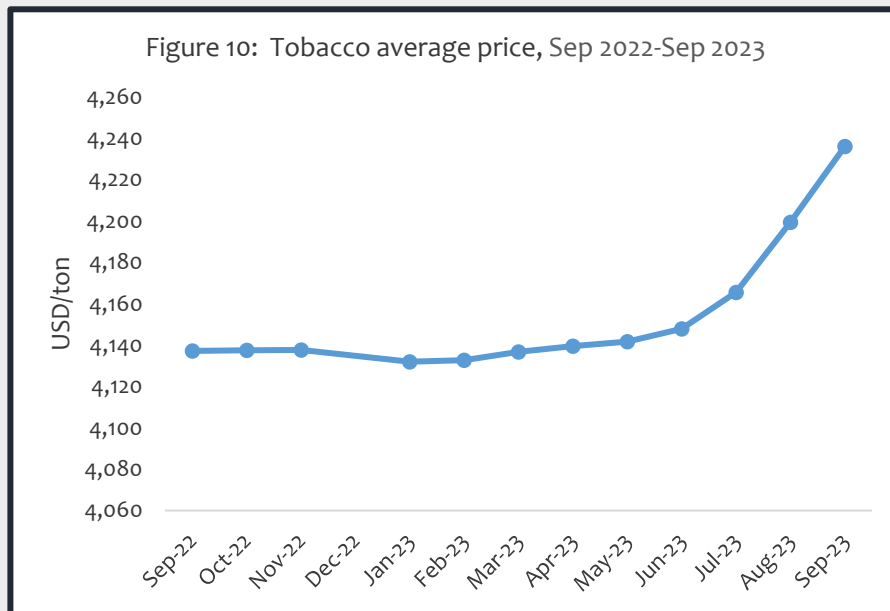
Cotton

Cotton prices have risen over the last year, peaked in September 2022, and then dropped significantly in the months that followed. Prices in September, 2023 slightly increased from 2.11 USD/kg of August to 2.16 USD/Kg in September. Global consumption of cotton has weakened recently causing a decline in prices. Because of global production dynamics, prices are projected to trend low in 2023, and pick up again in 2024.



Tobacco

Over the last year, global tobacco prices have been steadily declining (Figure 10). Prices picked up in June 2023 and continued to slightly increase from 4199.38USD/ton in August 2023 to 4235.98USD/ton in September.



3. Import Substitution Commodities (Source: World Bank, 2023)

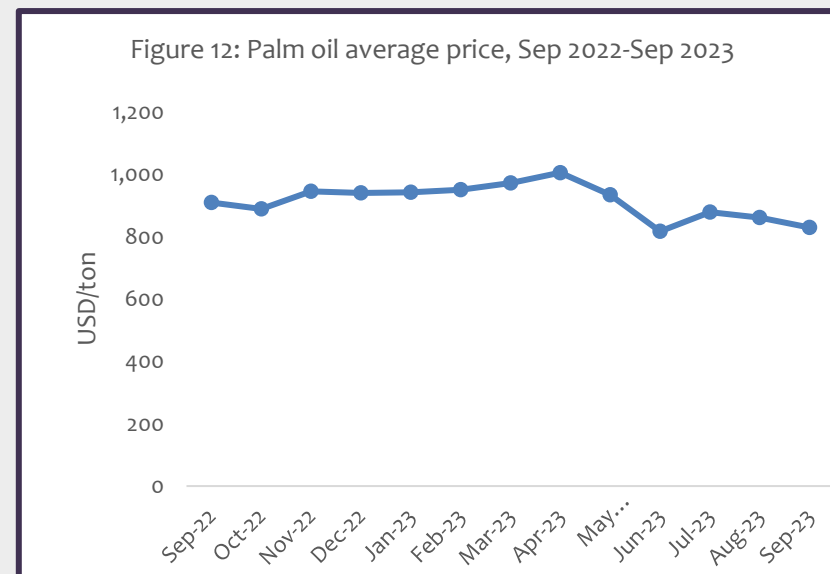
Wheat

Ukraine and Russia accounted for nearly 30% of global wheat exports. Following several months of Russia’s invasion of Ukraine, prices of wheat have soared. However, wheat observed a decline in prices from their pick in October 2022 reflecting improved supply prices. Wheat prices decreased marginally by 0.36 percent in September 2023, from USD 315.82/ton in August 2023 to USD 314.68/ton in September (Figure 11). Tanzania imports about 90% of domestic wheat requirement. Wheat import bill increased from USD Mil 293.0 in 2022 to USD mil 400.7 in the fiscal year ending July, 2023 (BoT, 2023¹)

Edible Oil (Palm)

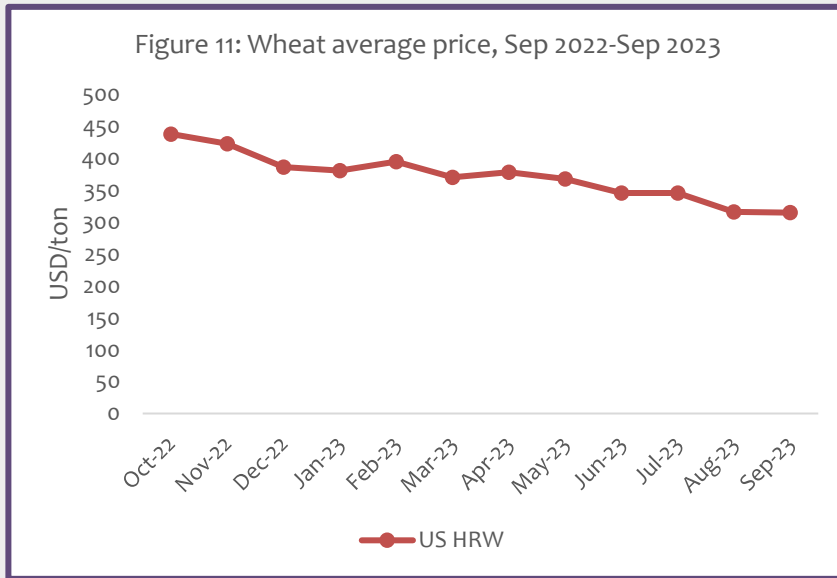
The price of palm oil fell sharply from its peak in April 2023 to its lowest level in June 2023. Palm oil prices decreased marginally by 3.62 percent in September 2023, from USD 860.82.06/ton in August 2023 to USD 829.60/ton in September (Figure 12). Tanzania imports a large amount of edible oil. For the fiscal year ending July 2023, the import bill was USD mil 170.4 (BoT, 2023).

Ref: Palm oil (Malaysia), palm oil demand and supply outlook report 2022.



¹ BoT-Monthly Economic Review, August 2023

*Wheat (US), hard red winter (HRW)

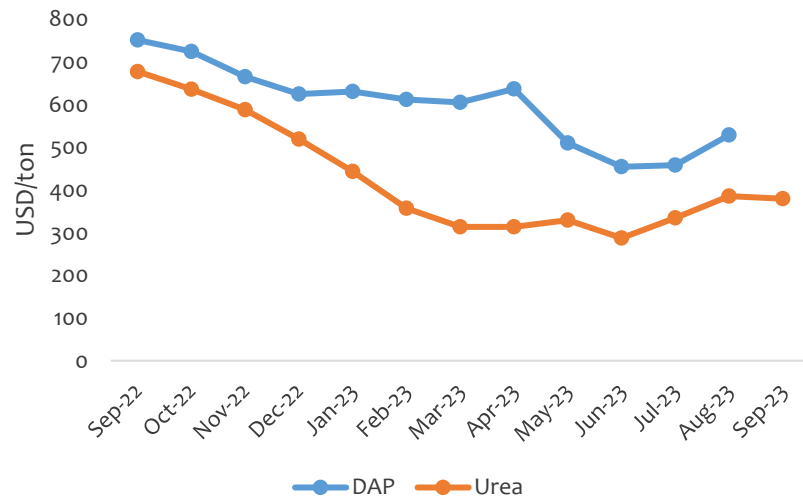


4. Farm Inputs (Source: World Bank, 2023)

Fertilizer

Both Urea and DAP fertilizers recorded a steady decline in price changes from their pick in September 2022. In September a decrease of 0.16 percent in DAP prices was observed while Urea decreased by 1.45 percent from prices recorded in August (Figure 13). International prices are expected to continue declining as natural gas prices fall. Tanzania imports roughly 90% of its fertilizer annual requirement. The fertilizer subsidy program, which is currently in effect, is expected to lower production costs and increase farm yield.

Figure 13: Fertilizer average price, Sep 2022-Sep 2023



About the Bulletin

This bulletin provides domestic and international markets outlook for five commodity groups including **staples** (maize, rice, beans, sorghum, and round potatoes), **traditional export crops** (coffee, cotton, tea, and tobacco), **import substitution commodities** (edible oil, and wheat) and **farm inputs** (fertilizer). This bulletin's information serves as a benchmark for key players along the respective value chains to make informed decisions.

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